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Rolf Frankenbach  
California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Post Office Box 942836  
Sacramento, CA 94236

Dear Mr. Frankenbach:

Sierra Nevada Conservancy (SNC) staff have reviewed the Department of Water Resources' (DWR) Proposition 84 Integrated Regional Water Management (IRWM) Planning Grant Draft Round 2 Proposal Solicitation Package (PSP), and have the following comments:

1. We commend DWR for holding workshops to receive comments on the Draft PSP, and also for conducting workshops to receive public input on the scope of the changes that DWR is considering. However, none of the planned workshops are in the Sierra Nevada, a primary source of California's water supply, so we suggest that DWR hold a Sierra-focused workshop focusing on the application process and what DWR looks for in a strong, competitive application. The point of this would be to provide targeted information and assistance to the rural Sierra IRWMs, especially those that did not fare well in the last round of grants. The SNC would be pleased to assist in implementing this suggestion.
2. We also suggest that all application workshops include discussion of how to use the Bond Management System.
3. Page 11, Table 3, Other Contribution: This item stipulates that applicants include costs of any legal services required to support the project. Clarification of what is meant by this item would be helpful.
4. Page 16, Attachment 4 – Budget: The Draft PSP notes that applicants are "encouraged" to limit direct project administrative expenses to less than five percent of total proposal costs, a figure so low as to potentially discourage some prospective applicants from applying. What does "encouraged" mean in this context, and what are the consequences of not complying with the limit? We recommend a higher limit on

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administrative costs – such as 15 percent – be imposed to alleviate this potential barrier.

5. Page 17, Section VI: The Draft PSP states that the score for each criterion will be multiplied by a weighting factor. What are the weighting factors and how will they be determined?

While we realize that you are soliciting comments on the PSP only, we have reviewed the program Guidelines (dated August 2010) as well and would like to pose some additional thoughts. Because of the value upstream forest management can have in protecting watershed systems, avoiding additional downstream operational and maintenance costs and supporting local community sustainability, we recommend that the IRWM grant program amend its overall Guidelines and Proposal Solicitation Packages (PSPs) to encourage more forest management-type projects in the upper watersheds. Actions such as those suggested below could be incorporated to acknowledge this “forest to faucet” concept:

1. Include more specific references to forest management projects – such as fuel hazard reduction, road decommissioning and restoration, meadow and riparian restoration, and other measures – as examples of eligible project types to achieve water quality, water quantity and climate change/GHG reduction objectives [pp. 12-14, 17, 52-55].
2. Use regional allocations for awarding the last round of IRWM planning grants, rather than a statewide competition, so that IRWM groups in small, rural or disadvantaged/underrepresented communities have a better chance at receiving support by not having to compete against urban IRWM groups with greater grantwriting capacity [p. 14].
3. Encourage upper watershed applicants to include a forest health component in their planning and resource management strategies.
4. Add “Risk Avoidance” to the list of Program Preferences for supplemental scoring, i.e., plans with projects such as fire fuel reduction or road restoration that reduce the risk of detrimental impacts on water quality, water quantity or downstream operations and maintenance costs should receive a supplemental score [p. 19].
5. Provide more technical assistance or other hands-on resources to applicants regarding how to conduct a meaningful and competitive economic feasibility analysis of expected benefits and costs of “non-structural actions” like fire fuels reduction and other forest management techniques [pp. 21, 50].
6. Include a requirement for applicants to discuss the relation of their plan and projects not only to local land use planning, but also to federal land management planning, in order to more effectively coordinate and integrate land use and water management between upper and lower watersheds [pp. 23-24, 60-64].
7. Include US Forest Service and BLM as examples of federal agencies with whom applicants should coordinate, especially on non-structural actions related to forest and upper watershed management [p. 68].



8. Include a US Forest Service or BLM representative as a technical reviewer on the selection panel to help evaluate proposals with non-structural forest management-related projects [p. 26].

We believe these recommendations would create a number of additional benefits to the State, such as:

- Improved understanding of the connection between upper watershed management and downstream water quality and quantity benefits;
- Reduced risk of large, damaging wildfires and the accompanying negative impacts to communities and natural resources;
- More equitable distribution of available IRWM funds to underrepresented and disadvantaged rural communities;
- Better coordination of water and land management among local, state and federal agencies;
- More useful information on the value to water quality and quantity of non-structural projects;
- Progress toward achievement of state goals related to alternative energy use, climate change adaptation/mitigation and GHG reductions through the use of biomass from forest management projects.

Thank you for your consideration of these comments. We look forward to the release of the Final PSP and would be happy to explore whether we can assist in hosting a Sierra-based application workshop in addition to the ones you have already scheduled.

Sincerely,



Kerri Timmer  
Program Manager

cc: Jim Branham, SNC Executive Officer

